REMARKS (37 CFR 1.111)

Applicant has considered all points made by the Examiner in the Office Action and has incorporated Examiner's suggestions to ensure compliance with the applicable rules.

Applicant amended the claims to clarify the structure which the Applicant believes distinguishes the present invention over the cited references, to clarify the function of the claimed invention, and to clarify the limitations within the claims drawn to such a structure. However, such amendments have not been made to narrow the claims of the original application, but rather simply to clarify claims due to grammar that the Examiner found unclear. Applicant believes the amended claims are supported by the specification.

Priority

Applicant previously submitted a specific reference claiming the benefit of a prior-filed application in complicane with 37 CFR 1.78(a). Said specific reference was included with the original filing of this application at the bottom of the title page (*See* Exhibit A) and in the application data sheet (*See* Exhibit B). For this reason, Applicant believes it has complied with 37 CFR 1.78(a).

However, because the Examiner has included the issue of priority in the instant action, out of an abundance of caution Applicant has herein amended the specification to include the reference on the first page of text, in the first sentences following the title. Applicant notes that because the reference was previously submitted within the time period set forth in 37 CFR 1.78(a), and the information concerning the benefit claim was recognized by the Office as shown by its inclusion on the first filing receipt (*See* Exhibit C), no petition under 37 CFR 1.78(a) nor surcharge under 37 CFR 1.17(t) is required.

35 U.S.C. § 102 Rejection

Claim 4 was rejected under 35 U.S.C. § 102(e) as being anticipated by Jones, Registration Number 5699867 (the "'867 Patent"). Anticipation is a factual determination. In order to establish anticipation, it is incumbent upon the Examiner to identify in a single prior art reference disclosure of each and every element of the claims in issue, arranged as in the claim. Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co., 730 F.2d 1452, 1458, 221 U.S.P.Q. 481 (Fed. Cir. 1984); In re Schaumann, 572 F.2d 312, 197 U.S.P.Q. 5 (C.C.P.A. 1978) (anticipation is measured with respect to the terms of the claims in issue).

When determining if a prior art reference anticipates a claim containing elements expressed as a means for performing a function pursuant to 35 U.S.C. § 112, last paragraph, "the limitations which must be met are those set forth in each statement of function." RCA Corp. v. Applied Digital Data Sys., Inc., 730 F.2d 1440, 1445 n.5, 221 U.S.P.Q. 385, 389 (Fed. Cir. 1984).

When the claimed invention is not identically disclosed in a reference, and instead requires picking and choosing among a number of different options disclosed by the reference, the reference does not anticipate. Akzo N.V. v. U.S. Int'l Trade Comm'n, 808 F.2d 1471, 1480, 1 U.S.P.Q.2d 1241, 1245-46 (Fed. Cir. 1986), cert. denied,482 U.S. 909, 107 S.Ct. 2490 (1987).

Applicant respectfully traverses the rejection of Claim 4. Without limitation, the '867 Patent does not disclose each of the elements of Claim 4. Claim 4 includes a limitation that the inner retainer sleeve has a knob at the opposite end from the collar. The '867 Patent makes no mention of a knob. Additionally, Claim 4 includes a limitation that the holding band circumscribes the bit. In contrast, the cited element of the '867 Patent is the retaining member

50 which is not described as circumscribing the bit, and cannot circumscribe the bit because

element element 60, the second retaining ring in the '867 Patent, would be in the way.

Additionally, Claim 4 includes a limitation that the first retaining ring is positioned closer to the

cutting edge of the bit than the holding band. This is not the case in the '867 Patent. In it, the

element compared to the retaining ring (the split ring 56) is distal from the element likened to the

holding band (the retaining member 50). Additionally, Claim 4 includes a limitation that the first

retaining ring have a slot, which is not described in the '867 Patent. Additionally, Claim 4

includes a second retaining ring which is not described in the '867 Patent, thus none of the

characteristics involving the second retaining ring are included in the '867 Patent.

Thus, the patent cited by the Examiner does not disclose each and every element of the

claims at issue.

Claim Objections

The Examiner has objected to Claims 5-7, 9, and 11 as depending from a rejected base

claim. The Examiner has further indicated that these claims would be allowable if rewritten in

independent form including all of the limitations of the base claim and any intervening claim(s).

Applicant has amended Claims 5-7 pursuant to the Examiner's comments. Claims 9 and 11 do

not need to be amended because they depend from 5 and 6 respectively, which are now in

independent form. It is respectfully submitted that Claims 5-7, 9, and 11 are now in a condition

for allowance.

Page 11 of 16

CONCLUSION

In view of the above, it is submitted that the remaining claims are in a condition for allowance. Reconsideration and withdrawal of the rejections and objections are hereby requested. Allowance of the pending claims at an early date is solicited.

If impediments to allowance of the pending claims remain, and a telephone conference between the undersigned and the examiner would help remove such impediments in the opinion of the examiner, a telephone conference is respectfully requested.

Respectfully submitted,

LOEFFLER TUGGEY PAUERSTEIN ROSENTHAL L.L.P. 755 East Mulberry Avenue, Suite 200 San Antonio, TX 78212

(210) 244-8858 (telephone)

(210) 354-4034 (facsimile)

cwhite@loefflerllp.com (e-mail)

By:

Cline H. White, Reg. No. 45,213

EXHIBIT A

EXHIBIT B

EXHIBIT C

CERTIFICATE OF MAILING

I hereby certify that this paper (along with any paper referred to as being attached or enclosed) is being deposited on the date shown below with the United States Postal Service in an envelope addressed to:

Mail Stop Commissioner of Patents and Trademarks P.O. Box 1450 Alexandria, VA 22313-1450

as follows:

37 CFR 1.8(a)	<u>37 CFR 1.10</u>
[] With sufficient postage as First Class Mail.	[X] As "Express Mail Post Office to Addressee",
Date:, 20	Mailing Label No. EV770302554US.
	Date: April 7, 2007
	,

Denise M. Rodriguez

Signature of Person Mailing P

Printed Name of Person Mailing Paper or Fee